

Message Text

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FM SECSTATE WASHDC

TO ALL AFRICAN DIPLOMATIC POSTS

AMEMBASSY ALGIERS

AMEMBASSY CAIRO

AMEMBASSY RABAT

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY OTTAWA

AMEMBASSY BRUSSELS

USMISSION USUN NEW YORK

XMT AMEMBASSY CONAKRY

AMEMBASSY PRETORIA

C O N F I D E N T I A L STATE 201149

FOLLOWING REPEAT PARIS 22990 ACTION SECSTATE CONAKRY

INFO USDOC WASHDC PRETORIA 6 AUGUST 76.

QUOTE

C O N F I D E N T I A L PARIS 22990

DEPT MAY WISH PASS OAU COLLECTIVE

E.O. 11652: GDS

TAGS: PFOR, PGOV, FR, GV, SF

SUBJECT: FRANCO-SOUTH AFRICAN POWER REACTOR CONTRACT

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REF: CONAKRY 1532

1. FOLLOWING STATEMENT PREPARED BY EMBASSY AFTER CAREFUL RESEARCH IS UNCLASSIFIED AND MAY BE USED IN HANDOUTS TO INTERESTED AFRICAN OFFICIALS. BEGIN UNCLASSIFIED:

CONSORTIUM CONSTRUCTING SOUTH AFRICAN NUCLEAR POWER PLANT CONSISTS OF FRAMATEG, SPIES BATIGNOLLES, AND ALSTHOM.

I. FRAMATEG, WHICH LEADS CONSORTIUM, SPECIALIZES IN CONSTRUCTION OF OVERSEAS NUCLEAR POWER PLANTS. IT IS OWNED AS FOLLOWS: FRAMATOME (60 PER CENT), CREUSOT-LOIRE (20 PER CENT), AND CREUSOT-LOIRE ENTERPRISES (20 PER CENT). THESE FIRMS IN TURN ARE IN THE FOLLOWING HANDS:

A. FRAMATOME

1. CREUSOT-LOIRE (51 PER CENT)
2. FRENCH ATOMIC ENERGY COMMISSION (CEA)
(30 PER CENT)
3. WESTINGHOUSE (15 PER CENT)
4. EMPAIN SCHNEIDER (INDIRECT) (4 PER CENT)

B. CREUSOT-LOIRE

1. CIE FINANCIERE CREUSOT-LOIRE (51.5 PER CENT)
2. MARINE WENDEL (6.5 PER CENT)
3. SCHNEIDER S.A. (1.5 PER CENT)

C. CREUSOT-LOIRE ENTERPRISES

1. CREUSOT-LOIRE (80 PER CENT)

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2. SCHNEIDER S.A. (3 PER CENT)

IT SHOULD BE NOTED THAT SCHNEIDER S.A. CONTROLS 50 PER CENT OF CIE FINANCIERE CREUSOT-LOIRE. SCHNEIDER S.A. (FRENCH) AND ELECTRO-RAIL (BELGIAN) COMPRISE EMPAIN SCHNEIDER GROUP WHICH HAS HOLDINGS WORLDWIDE. SCHNEIDER S.A. HOLDS MAJORITY SHARES OF EMPAIN

SCHNEIDER. BARON EDOUARD EMPAIN, BELGIAN CITIZEN RESIDING IN FRANCE, IS PRESIDENT-DIRECTOR GENERAL OF SCHNEIDER S.A.

II. SPIES BATIGNOLLEES WILL DO CIVIL ENGINEERING FOR PROJECT. THIS FIRM CONTROLLED AS FOLLOWS:

A. SCHNEIDER S.A. (82 PER CENT)

B. DONG-TRIEN (8 PER CENT) (CONTROLLED BY SCHNEIDER S.A.)

III. ALSTHOM WILL PROVIDE TURBO-ALTERNATORS FOR PLANT. PRINCIPAL SHAREHOLDERS OF ALSTHOM ARE:

A. COMPAGNIE GENERALE D'ELECTRICITE (FRENCH) (56.3 PER CENT)

B. COMPAGNIE FINANCIERE DE SUEZ (3.8 PER CENT)

C. L'OMNIUM DE PARTICIPATIONS FINANCIERES ET INDUSTRIELLES (1.08 PER CENT)

U.S. FIRMS OBVIOUSLY DO NOT HAVE CONTROLLING EQUITY IN FRENCH CONSORTIUM SELLING POWER REACTOR SYSTEMS. ONLY EQUITY DIRECT OR OTHERWISE WE CAN DETECT IS WESTINGHOUSE'S 15 PER CENT EQUITY IN FRAMATOME. THIS AMOUNTS TO 9 PER CENT INDIRECT IN FRAMATEG, LEADER OF CONSORTIUM (15 PER CENT OF 60 PER CENT EQUALS 9 PER CENT). THERE IS NO DISCERNIBLE U.S. EQUITY IN SPIES BATIGNOLLES OR ALSTHOM. SHARES UNACCOUNTED FOR IN FOREGOING LISTINGS ARE WIDELY HELD BY PRIVATE INVESTORS PRESUMED LARGELY EUROPEAN. CREUSOT LOIRE, CONFIDENTIAL

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SCHNEIDER, AND SUEZ ARE ALL QUOTED ON PARIS BOURSE. END UNCLASSIFIED.

2. NOTE THAT AMBASSADOR'S HARROP'S STATEMENT TO MAMADI KEITA COVERED IN PARA 2 OF REFTTEL CONCERNING DIFFERENCES BETWEEN FRENCH AND U.S. NUCLEAR POWER TECHNOLOGY IS NOT STRICTLY CORRECT. FRENCH CONSORTIUM WILL IN FACT USE WESTINGHOUSE PRESSURE WATER REACTOR TECHNOLOGY VERY SIMILAR TO THAT CURRENTLY EMPLOYED IN FRENCH NUCLEAR POWER PROGRAM.

3. ADDRESSEES MAY WISH TO EMPHASIZE IN ORAL COMMENTS TO AFRICAN OFFICIALS THAT WESTINGHOUSE, FAR FROM DOMINATING FRENCH NUCLEAR POWER INDUSTRY, HAS BEEN PROGRESSIVELY SQUEEZED OUT OF FRAMATOME UNDER GOF

PRESSURE AND WILL VERY LIKELY LOSE ITS REMAINING
15 PERCENT SHARE IN 1982.
GAMMON UNQUOTE KISSINGER

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